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Egypt

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DEPARTMENT OF STATE

POLICY PLANNING STAFF

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DEPUTY UNDER SECRETARY OF STATE

August 22, 1951

3:10 pm

AUG 23 1951

DEPARTMENT OF STATE

G - Mr. Matthews

The attached paper is designed to serve as an interim study of the situation in Egypt, pending the receipt of fuller information on the basis of the projected US-UK joint intelligence survey and the views of the Defense Department. We may have some further comments when that information is available. Meanwhile, this may be useful to you as a preliminary approach to the problem in preparation for the forthcoming talks between the Secretary and Mr. Morrison.

John H. Ferguson

DEPARTMENT OF STATE A/CDC/MR
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This is the memo I thought we might look at when we met tomorrow

Some memos to: Perkins Berry Jessup Bolden, Bonbright

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S/P:HSVillard:mw
8/22/51

THE SITUATION IN EGYPT 2

1. Next to the situation in Iran, the most serious problem in the Middle East is that of the British position in Egypt. The Egyptians have threatened to declare the abrogation of the UK-Egyptian Treaty of 1936 which granted bases to the UK on the Suez Canal; they are in dispute with the British over the future of the Sudan; they have come into conflict with the British over their restrictions on Suez Canal traffic; and they are following the trend of other countries of the Middle East, particularly Iran, in giving expression to feelings of xenophobia and nationalism for which the British are inevitably the target. There is danger that the intransigeant attitude displayed by both the UK and Egypt, reminiscent of the earlier attitudes of the UK and Iran in the AIOC controversy, may lead to an explosion that would not only affect the entire British position in the Middle East but would result in the loss of the important Suez base area to the Western powers.

2. The principal source of concern is the possibility that the Treaty of 1936 (which expires in 19 6) may be

may be declared abrogated by Egypt in the next few weeks without any compromise arrangement for the retention of British forces in Egypt. There are several factors in this situation which require further clarification before a realistic appraisal can be made of the trend of events. One is the extent to which Egyptian policy is committed toward abrogation of the Treaty at this time. Another is the depth and strength of Egyptian public sentiment on the subject. A third is the question of the military value of Egyptian bases in wartime and their relation to US-UK defense planning. A definite answer to the first problem will probably have to await the return of King Farouk from his Mediterranean cruise but the Egyptian Foreign Minister has indicated that no action will be taken until after the recess of the Egyptian Parliament. The answer to the second question is being sought through a joint US-UK intelligence survey which is about to be undertaken in order to assess Egyptian sentiment as accurately as possible. The third question is one whi was presented to the JCS earlier this year and which is now being resubmitted for further consideration and comment in the light of the circumstances existing today. Each of these factors has an important bearing on the problem and no final judgment can be formed until the

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required answers have been received. At present the best that we can do is to examine the situation from a general viewpoint and in the light of the known facts.

3. From the standpoint of peace and stability in the Middle East, it would be desirable to avoid any move in this impasse which might give fire to violence in the area. If incidents were provoked in Egypt, for example by refusal of the British troops to evacuate the vicinity of Suez, the flames of nationalism would at once be fanned and the fire could easily spread to other countries of the Middle East. As the leader of the Arab league, Egypt would doubtless spearhead a wave of anti-British feeling which could destroy what remained of British prestige in the area and challenge Britain's role as a world power. The Middle Eastern States are already sufficiently affected by what the British term "irresponsible nationalism" to make the entire area untenable for the British and, to a lesser extent, hostile to the West as a whole if provoked by what the Arabs and Iranians choose to regard as imperialist aggression.

4. On the other hand, it is probable that British public opinion would not tolerate a withdrawal from

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Egypt now. Twisting of the lion's tail in Egypt as well as in Iran has produced a stiffer attitude and a determination not to allow British prestige to drop lower. It is not too much to say that the Labor Government might be overthrown if it acceded to a demand that British forces be withdrawn from Egypt; the Conservatives who may come to power in any case a few months hence have been following an increasingly stronger line on this subject. The damage which such a withdrawal would do to the already weak British position in the Middle East must be carefully weighed in any survey of the situation. Taking into account the previous strong position of the JCS that British forces should remain in Egypt for the defense of the West, it does not seem possible now for the US to advise or support British withdrawal in whole or in part from the Canal area.

5. Unless military opinion has undergone some recent change, there is no adequate substitute for the Suez bases at the disposal of the UK. Some discussion has taken place with regard to Israel as an alternative British base, but even if this were practical it would engender increased anti-British sentiment among the Arabs. The Gaza strip, now occupied by Egypt, and whose ultimate disposition is still awaited, would presumably

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presumably be even less satisfactory as to plan a base. Cyrenaica and Tripolitania have also been mentioned, but with existing US plans for this area it would be difficult to accommodate the British. The political future of Jordan is uncertain and it would offer no practical substitute for bases in Egypt. There remains Cyprus, and indications have been received of British interest in exploring the possibilities of this island in the event they are forced out of Egypt. But here too the prospect is anything but satisfactory as an alternative to the key strategic area around the Suez Canal.

6. In 1946 the UK was prepared to accept complete evacuation of British troops from Egyptian territory within a three-year period and substitute arrangements for a joint board of defense to deal with mutual defense problems. It is clear today that the UK would not agree to this position. In 1951 the British proposed a phased evacuation of headquarters and combat troops during the remaining five years of life of the Treaty of 1936. This suggestion included a British lease hold of bases and a joint air defense scheme and was flatly rejected by the Egyptians. Nevertheless, it is possible that a reduction of British combat troops presently stationed in Egypt might still be accomplished if some suitable arrangements could be worked out for defending the Suez in combination with forces other than Egyptian over the next five years. If the UK is unacceptable to Egypt as the only partner, a

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wider share of responsibility might be the answer. Australia, New Zealand and South Africa are committed to the defense of the Middle East; with the possible addition of Pakistan these countries might join with Egypt in an arrangement for defending the Canal area. It would probably be necessary for the forces of these countries to be associated with, or backed by, British forces in some way. But with Egypt treated as an equal partner, and with the UK eliminated as the sole participant, such an arrangement might provide the basis for discussion at least. The Middle East Command Structure, when settled, might also provide the framework for discussions with Egypt as to the part it should play on a partnership b[illegible] in the defense of the Middle East.

7. In so far as it is possible to estimate developments in the immediate future, there seems little hope of restraining the Egyptians from the act of unilaterally abrogating the 1936 Treaty. After abrogation it is estimated that a period of some 18 months might be available to the British [illegible] carrying out the details of evacuation and in which to make substitute arrangements. The main problem of the UK therefore is to continue discussions with the Egyptians in the hope of arriving at a compromise acceptable to British pride and the defense needs of the West on the one hand and Egyptian nationalistic

nationalistic feelings on the other. Pending a fuller evaluation of the underlying factors in this situation upon receipt of the US-UK intelligence survey and the views of the Defense Department, mentioned above, it is not believed that the UK should yield to Egyptian intimidation but should for the time being adhere to its position on the basis of the 1936 Treaty and prolong the conversations with the Egyptians as long as possible.